

## STATEMENT OF FAIRNESS

GFI Investment Counsel Ltd. (“GFI”) shall exercise diligence and thoroughness in taking an investment action on behalf of each client and shall have a reasonable and adequate basis for such actions, supported by appropriate research and investigations. Before initiating an investment transaction for a client, GFI will consider its appropriateness and suitability. GFI will manage each account within the guidelines established between GFI and the client. GFI shall ensure that each client account is supervised separately and distinctly from other clients’ accounts. GFI owes a duty to each client and, therefore, has an obligation to treat each client fairly.

Whenever GFI proposes to make an investment, the investment opportunity will be allocated on an equitable basis, generally pro rata based on available capital, between the client’s account and any other account for which the proposed investment would be within such account’s investment objectives.

It may be determined that the purchase or sale of a particular security is appropriate for more than one client account. GFI may pool one client’s order with that of another client or clients as simultaneously placing a number of separate, competing orders may adversely affect the price of a security. Therefore, where appropriate, when bunching orders and allocating block purchases and block sales, it is GFI’s policy to treat all clients fairly and to achieve an equitable distribution of bunched orders. All new issues of securities and block trades of securities will be purchased for, or allocated amongst, all applicable accounts of GFI’s clients in a manner GFI considers to be fair and equitable. In the course of managing a number of accounts or trades, there may arise occasions when the quantity of a security available at the same price is insufficient to satisfy the requirements of every client, or the quantity of a security to be sold is too large to be completed at the same price. Similarly, new issues of a security may be insufficient to satisfy the total requirements of all clients. Under such conditions, as a general policy, and to the extent that no client will receive preferential treatment, GFI will ensure:

- where orders are entered simultaneously for execution at the same price, or where a block trade is entered and partially filled, fills are allocated proportionately and equally on the amount of equity of each client’s account;
  - where a block trade is filled at varying prices for a group of clients, fills are allocated on an average price basis;
  - in the case of hot issues and IPOs, participation is split equally between clients based proportionately on the equity in each account;
  - in the case of a new securities issue, where the allotment received is insufficient to meet the full requirements of all accounts on whose behalf orders have been placed, allocation is made on a pro rata basis. However, if such prorating should result in an inappropriately small position for a client, the allotment would be reallocated to another account.
- Depending on the number of new issues, over a period of time, every effort will be made

to ensure that these prorating and reallocation policies result in fair and equal treatment of all clients; and

- trading commissions for block trades are allocated on a pro rata basis, in accordance with the foregoing trade allocation policies.

Whichever method is chosen, GFI will follow such method in the future where similar conditions exist. Where it is impossible to achieve uniform treatment, every effort shall be made by GFI to ensure that every client, over time, receives equitable treatment in the filling of orders.

In allocating aggregated orders, GFI will use several criteria to determine the order in which participating client accounts will receive an allocation thereof. Criteria for allocating bunched orders will include the current concentration of holdings of the industry in question in the account, and, with respect to fixed income accounts, the mix of corporate and/or government securities in an account and the duration of such securities.

Transactions for clients shall have priority over personal transactions so that GFI's personal transactions do not act adversely to a client's interest.

The above sets out in general terms the standards of fairness that GFI and its employees will exercise in its dealings with all of its clients